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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the matter of

Computer III Further Remand
proceedings: Bell Operating
Company Provision of Enhanced
Services

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CC Docket No. 95-20

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COMMENTS OF THE
ASSOCIATION OF TELEMESSAGING SERVICES INTERNATIONAL, INC.

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The telemessaging industry has always been fiercely competitive. In virtually every market, there are several small businesses competing to provide telemessaging services with the local telephone company's voice mail services.

Increasingly, the Bell's have used their unique position as regulated service providers to gain unfair advantage in the telemessaging market. State public utility commissions have recognized and attempted to correct some of these abuses (Georgia Memory Call proceeding), but have been thwarted by FCC preemption.

Competition in the telemessaging market is currently at risk unless the RBOCs are required to once again provide telemessaging services through separate subsidiaries. According to U.S. Bureau of the Census figures, over fifteen percent of independent telemessaging businesses have been forced out of business since Bell entry into the telemessaging market. During this period, telemessaging businesses should have been growing due to the rapid expansion of service offerings and the overall growth of the voice mail industry.

Across the country, there are over 3,000 telemessaging services--all small businesses--that provide essential services to other small businesses. The telemessaging industry has adopted, adapted, and advanced the state-of-the art in enhanced service technology. Many of the features available from the network today are the direct result of this industry's commitment to serving the American public, through innovation and small business entrepreneurial effort.

ATSI's leadership in the Information Industry Liaison Committee (IILC) has been pivotal in the development of ONA standards. Despite these efforts, gaining consensus through the IILC is a needlessly slow process, and even after a new feature has been approved, the IILC has not been effective in assuring that the RBOCs will deploy of these new technologies on a timely basis.

However, ATSI must continue to work through the burdensome IILC process--despite the financial burden to our cash-strapped small business owners--for now, because it is the only forum where our entrepreneurs innovations to the network can be heard. It is not the RBOCs or Bellcore that are driving upgrades in messaging technology, it is the small business members of ATSI.

The Association of Telemessaging Services International supports strong structural separation requirements for the Regional Bell Operating Companies. The so-called "non-structural" safeguards established by Computer III to ostensibly protect captive rate-payers and dependent competitors against the damaging effects of cross subsidization and other anti-competitive action are ineffective.

The independent telemessaging industry stands by the Georgia Memory Call proceeding as but one testament to the competitive abuses the independent telemessaging industry has, and continues to experience with the RBOCs. However damaging to the RBOC's arguments, the Georgia case only skims the surface of the litany of unhooking, slamming, and other joint-marketing abuses that independent telemessaging service providers continue to suffer throughout the country.

The RBOCs claim that there are many "benefits of structural relief." However, nowhere do they address the long-term effect these so-called "benefits" will have. The RBOCs continue to saturate the voice mail market place with underpriced mailboxes. The only outcome of such predatory pricing will be to create a monopoly by successfully pricing their competition out of the market.

The RBOCs also allege that separate subsidiaries will result in consumer confusion. If the status quo remains, the opposite will remain true. The consumer will continue to be confused about the existence of telemessaging alternatives and the consumers' access to those competing services.

Perhaps even more questionable is the RBOCs contention that separate subsidiary requirements may result in the loss of service availability. Voice mail and other telemessaging services are currently available from independent providers--even in areas where Bell Companies do not offer these services. History shows that the bottleneck for offering new services has not been our industry; it has been the failure to upgrade the network, or in some cases the intentional withholding of network features, until the phone companies could offer the enhanced service involved. It is precisely this failure of the phone companies to be "partners" with the telemessaging industry that has limited the availability of new services to the American consumer--both individual and small business.

In order to ensure future competition in the telemessaging market that will benefit the American consumer, the Association of Telemessaging Services International on behalf of it's 725 small businesses, respectfully urges the Commission to continue to require the RBOCs to offer enhanced services such as voice mail only through fully separated subsidiaries.